

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2203 - SB 2589

February 23, 2018

SUMMARY OF BILL: Requires assessments to be given only during the state mandated testing window. Establishes grade-level requirements for determining when subject-matter tests should be administered. Requires ACT scores to be calculated into a student's course grade. Excludes certain students with disabilities from these requirements.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$88,700

Other Fiscal Impact – To the extent local education agencies administer fewer assessments under the provisions of this legislation, there will be a decrease in state expenditures. However, due to multiple unknown factors, the extent of any reduced state expenditures cannot be determined.

Recurring federal funds for K-12 education may be jeopardized as a result of this legislation. The precise amount, if any, cannot be reasonably determined.

Assumptions:

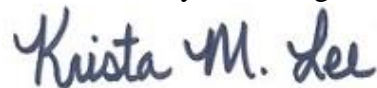
- Based on information from the Department of Education (DOE), the Department will require an additional staff member to coordinate, develop communications, develop procedures, and assist districts with the following new requirements of this legislation: incorporating ACT data into grades; and providing information to districts and recording decisions about whether to administer assessments that would now be optional, and developing new systems for tracking those decisions.
- The employee will require a recurring salary of \$67,008, benefits of \$18,372 and \$3,300 in overhead for a total recurring increase in state expenditures estimated to be \$88,680.
- Based on information from the DOE, the Department will continue to offer assessments under the provisions of the legislation as optional assessments for local education agencies (LEAs).
- To the extent LEAs choose not to offer assessments that they previously offered, there will be a decrease in state expenditures since the state funds the costs of assessments; however, due to unknown factors such as the number of LEAs that will not offer these tests, and the number of students that will not be assessed under the provisions of the

legislation, the fiscal impact related to test administration cannot reasonably be determined.

- It should be noted that these assessments are needed for conducting teaching evaluations; therefore, the extent of any reduction in testing and the extent of any applicable reduced state expenditures may or may not be sufficient for offsetting the estimated increase in state expenditures that are associated with the additional required position.
- Given that the state pays for testing currently, as well as under the provisions of the legislation, the fiscal impact is estimated to be not significant for local governments.
- Several LEAs now offer Integrated Mathematics instead of Algebra I.
- The Every Student Succeeds Act requires assessment of students at least once in high school mathematics.
- To the extent that schools do not test high school math students under the provisions of this legislation, some federal funding for K-12 schools could be jeopardized.
- The amount of federal funding that could be in jeopardy is unknown and dependent upon action of the U.S. Department of Education; however, based on information from the National Conference of State Legislatures, no state is known to have lost federal funding under the Elementary and Secondary Education Act (ESEA), No Child Left Behind (NCLB), or Every Student Succeeds Act (ESSA). Some states have come close and had to renegotiate waivers or have lost NCLB waivers.
- In FY17-18, the state received \$359,805,200 in ESEA and federal requirement funding.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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